

# Texas Crude Oil Lease Exemption Application

a. Taxpayer number

**You have certain rights** under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone numbers listed on this form.

c. Operator name, contact person and mailing address (Type or print)

Complete this form and mail to:

**Comptroller of Public Accounts**  
**111 E. 17th St.**  
**Austin, TX 78774-0100**

If you have any questions about this form, please call 1-800-252-1384 or 512-463-4600.

See instructions on reverse side.

## Type of Lease Exemption

d. Check one ☐ Enhanced oil recovery project ☐ Enhanced oil recovery project using anthropogenic carbon dioxide ☐ Qualifying low-producing oil leases

## Texas Railroad Commission (RRC) Lease Information

e. Name of lease	f. County of production	g. Date of first production
h. API number	i. RRC district number	j. RRC lease number

## Enhanced Oil Recovery Project

k. Type of project (Check one) <input type="checkbox"/> 2 Secondary <input type="checkbox"/> 3 Tertiary	l. H-12 approval date indicated on RRC certification letter (mm/dd/yyyy)	m. H-13 action date indicated on RRC certification letter (mm/dd/yyyy)	n. Approved certification date indicated on RRC certification letter (mm/dd/yyyy)
o. Name of project		p. RRC project number	

## Enhanced Oil Recovery Project Using Anthropogenic Carbon Dioxide (CO2)

In addition to entering information below, enter information in Items "k" through "p" shown above for Enhanced Oil Recovery Project.

q. Date of supplemental RRC certification letter stating an additional tax rate reduction applies for EOR Project using anthropogenic CO2 (mm/dd/yyyy)	r. Percentage of additional tax rate reduction indicated on RRC certification letter  _____ %	s. If applicable, date of certification letter from Texas Commission on Environmental Quality stating CO2 is to be sequestered in a geological formation other than an oil or natural gas reservoir (mm/dd/yyyy)
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## Qualifying Low-Producing Oil Leases

If your production qualifies as 5% or less of recoverable oil per barrel of produced water, then enclose a \$100 filing fee with this exemption application.

t. Type of production (Check one) <input type="checkbox"/> 15 or fewer barrels of oil per day <input type="checkbox"/> 5% or less of recoverable oil per barrel of produced water		
u. Initial three-month period used to claim tax credits 1)	2)	3)
v. Sum of lease production during the initial three-month period	w. Sum of the number of "well days," where a "well day" means one well producing for one day	

## Declaration

I declare that the information in this document is true and correct to the best of my knowledge and belief.

Name and title of authorized individual (Please type or print)

Daytime phone (Area code and number)

Are you a consultant or service provider?..... ☐ YES ☐ NO (If yes, attach a signed Limited Power of Attorney to this form.)

Email address


 Signature

Date

## General Information

**Who Files:** Form AP-216 must be filed by taxpayers seeking an exemption for:

- leases certified by the Texas Railroad Commission (RRC) for oil produced from a new or existing enhanced oil recovery project; or
- qualifying low-producing oil produced from oil wells.

**Length of Exemption:** The tax rate for the approved enhanced recovery project is 2.3 percent of the production's market value (one-half of the standard 4.6 percent tax rate). This exemption is applicable for 10 years after the RRC certification of positive production response. For the expansion of an existing enhanced oil recovery project, the 2.3 percent tax rate applies only to the incremental increase in production after the RRC certification of positive response has occurred.

**When to File Tax Reports:** To recoup credits for previously paid tax on an approved exemption, credit-amended reports must be filed:

- within four years from the due date of a production period;
- **for enhanced oil recovery projects**, no later than the first anniversary after RRC certifies that a positive production response has occurred; and
- **for enhanced oil recovery projects using anthropogenic carbon dioxide**, one or more of the producers of the oil must apply to the Comptroller's office, no later than the first anniversary of the date the oil is produced.

**What is Needed:** Additional documentation is required to be submitted with Form AP-216, as shown below.

**Administrative Rules for Crude Oil:** Detailed information regarding rules for crude oil is available on the Comptroller's website at [www.window.state.tx.us/taxinfo/crude/index.html](http://www.window.state.tx.us/taxinfo/crude/index.html). Click on the link labeled "Rules."

Type of Lease Exemption	Type of Documentation Needed
<b>Enhanced Oil Recovery Project (See Rule 3.37.)</b>	Copy of RRC certification letter indicating certification date, H-12 approval date and H-13 action date
<b>Enhanced Oil Recovery Project Using Anthropogenic Carbon Dioxide (See Rule 3.37.)</b>	1. Copy of RRC certification letter indicating certification date, H-12 approval date, H-13 action date; and 2. Copy of supplemental RRC certification letter indicating the additional tax rate reduction
<b>Qualifying Low-Producing Oil Lease Produced from Oil Wells (See Rule 3.39.)</b>	1. Copy of the monthly production report made to RRC for the lease for the three-month period prior to the exemption beginning date; and 2. List of producing wells on the lease and supporting documentation to show the number of days each well was producing during the three-month period

## Instructions

Complete Items "a" through "j" for all types of exemptions.

### Enhanced Oil Recovery Project

**Item k:** Mark the type of recovery method (secondary or tertiary) designated by the Texas Railroad Commission (RRC).

**Item l:** Enter H-12 approval date indicated on RRC certification letter (*mm/dd/yyyy*).

**Item m:** Enter H-13 action date indicated on RRC certification letter (*mm/dd/yyyy*).

**Item n:** Enter approved certification date indicated on RRC certification letter (*mm/dd/yyyy*).

**Item o:** Enter the name of enhanced oil recovery project.

**Item p:** Enter the number of the enhanced oil recovery project designated by RRC.

### Enhanced Oil Recovery Project Using Anthropogenic Carbon Dioxide (CO<sub>2</sub>)

**Item q:** Enter the date of supplemental RRC certification letter stating an additional tax rate reduction applies (*mm/dd/yyyy*).

**Item r:** Enter the percentage of additional tax rate reduction indicated on the supplemental RRC certification letter.

**Item s:** If applicable, enter date of certification letter from Texas Commission on Environmental Quality stating CO<sub>2</sub> is to be sequestered in a geological formation other than an oil or natural gas reservoir (*mm/dd/yyyy*).

### Qualifying Low-Producing Oil Leases

**Item t:** Enter the type of production that occurred during a three-month period. Mark the appropriate box indicating whether your production is less than 5 percent recoverable oil per barrel of produced water or 15 or fewer barrels per day. **If your production qualifies as 5 percent or less recoverable oil per barrel of produced water, then enclose a \$100 filing fee with this form.**

**Item u:** Enter the initial three-month period used to qualify your production for this tax credit.

**Item v:** Enter the sum of the lease production during the initial three-month period.

**Item w:** Enter the sum of the number of "well days," where a "well day" means one well producing for one day.